

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

DIAMONDS DISTRICT USA, INC. and
DIAMONDS DIRECT USA OF
RICHMOND, LLC,

Plaintiffs and Counterclaim
Defendants,

Case No. 3:12CV303

v.

BFJ HOLDINGS, INC., D/B/A CAPRI
JEWELERS,

Defendant and Counterclaim
Plaintiff.

JOINT RULE 26(F) DISCOVERY REPORT AND PLAN

On May 8, 2012, counsel for plaintiffs and counterclaim defendants Diamonds Direct USA, Inc. and Diamonds Direct USA of Richmond, LLC and counsel for defendant and counterclaim Plaintiff BFJ Holdings, Inc., D/B/A Capri Jewelers ("Capri Jewelers") conferred in accordance with Rule 26(f) of the Federal Rules of Civil Procedure. All items required to be discussed by Rule 26(f) were discussed. The parties agreed that no other orders are necessary under Rules 26(c), 16(b), or 16(c) at this time. The parties are prepared to report orally on this Report and Plan at the Initial Pretrial Conference.

The parties submit the following Rule 26(f) Discovery Report and Plan:

1. Statement of Claims and Defenses: Counsel discussed the nature and basis of their claims and defenses.

(a) Plaintiffs and Counterclaim Defendants: Plaintiffs and Counterclaim Defendants have not provided this information as of this filing date.

(b) Defendant and Counterclaim Plaintiff: Capri Jewelers has common law state trademark rights in the family of “Direct Diamond” service marks. Pursuant to its Virginia service mark registration File Number 101157, Capri Jewelers has exclusive rights in accordance with the Virginia Trademark and Service Mark Act for the mark Diamonds DirectSM for use in connection with retail sales. The Diamonds Direct entities have no Federal or Virginia trademark registration. Their effort to obtain a federal trademark registration was rejected by the US Patent and Trademark Office in 2001 and yet now they claim to have territorial rights that were previously refused to them. They have no common law rights to use this mark in Capri Jewelers’ geographical area. The Diamonds Direct entities have avowed their intention to enter Capri Jewelers’ market and to do business in Virginia by selling under the name of “Diamonds Direct” which is an infringement on Capri Jewelers’ state common law rights and its exclusive rights granted pursuant to Virginia statutory law. Capri Jewelers seeks injunctive relief barring the Diamonds Direct entities from selling jewelry in Virginia under the name “Diamonds Direct” or any confusingly similar mark.

2. Protective Order: Pursuant to Fed. R. Civ. P. 26(c)(1)(G), the parties shall submit a stipulated protective order to facilitate production of the material the parties designate as “confidential.”

3. Settlement: Counsel discussed the possibilities for prompt settlement and resolution of the case. The parties agree that resolution of this case cannot be made until the Court rules on the issue of which party owns the service mark Diamonds Direct in Virginia. The parties request that the Court grant an early hearing date on this issue.

4. Initial Disclosures: Counsel agreed there is no need to modify the timing, form, or requirement for disclosures under Rule 26(a) and agreed to make the initial disclosures required by Rule 26(a)(1) on or before May 22, 2012.

5. Discovery Plan: Counsel agreed that the subjects on which discovery may be needed include, but are not necessarily limited to, the claims asserted in the complaint and counterclaim and defenses asserted in the answer to the complaint and the answer to the counterclaim. The parties agreed to complete discovery in accordance with the Court's Scheduling Order and that there is no need for discovery to be conducted in phases.

6. Preservation of Discoverable Information: The parties represent that appropriate litigation holds have been put into effect to preserve potentially relevant documents and electronically stored information in their possession, custody or control.

7. Production of Electronically Stored Information: The parties will provide any electronically stored information that is in their possession and not privileged, and which they may use to support their claims or defenses, with their initial disclosures or in response to discovery requests.

8. Issues about claims of privilege or protection of trial preparation materials: The parties do not anticipate any issues about claims of privilege or of protection as trial-preparation materials at this time.

9. Discovery Limitations: The parties do not believe that any changes should be made to the limitations on discovery imposed by the Federal Rules of Civil Procedure or the Local Rules of the Eastern District of Virginia.

Respectfully Submitted,

/s/

Christopher C. Spencer (VSB No. 21878)

Direct: 804.285.5220

cspencer@ohaganspencer.com

Sandra M. Holleran (VSB No. 28808)

Direct: 804.285.5222

sholleran@ohaganspencer.com

O'Hagan Spencer LLP

6806 Paragon Place, Suite 200

Richmond, VA 23230

Telephone: 804.285.5200

Facsimile: 804.285.5210

Counsel for Defendant and Counterclaim Plaintiff

BFJ Holdings, Inc., D/B/A Capri Jewelers

Ian D. Titley (VSB No. 27531)

Schroder Fidlow, PLC

idt@schroderfidlow.com

1901 E. Franklin Street, Suite 107

Richmond, VA 23233

Telephone: 804.364.0405

Facsimile: 800.906.7542

Counsel for Defendant and Counterclaim Plaintiff

BFJ Holdings, Inc., D/B/A Capri Jewelers

CERTIFICATE OF SERVICE

I hereby certify that on the 22nd day of May 2012 the foregoing was electronically filed and served using the CM/ECF system which will then send a notification of such filing (NEF) to the parties:

John R. Owen, Esq. (VSB No. 39560)

Julie S. Palmer, Esq. (VSB No. 65800)

Harman, Claytor, Corrigan & Wellman

P.O. Box 70280

Richmond, Virginia 23255

Telephone: 804.747.5200

Facsimile: 804.747.6085

jowen@hcww.com

jpalmer@hcww.com

Counsel for Plaintiffs and Counterclaim Defendants

Diamonds Direct USA, Inc.

Diamonds Direct USA of Richmond, LLC

And I certify that I will mail the document by U.S. Mail to the following non-filing users:

Raboteau T. Wilder, Esq.

(not admitted in Virginia)

Jackson R. Price, Esq.

(not admitted in Virginia)

Womble Carlyle Sandridge & Rice, PLLC

3500 One Wachovia Center

301 South College Street

Charlotte, NC 28202

Telephone: 704.331.4900

Facsimile: 704. 338.7855

rwilder@wcsr.com

japrice@wcsr.com

Counsel for Plaintiffs and Counterclaim Defendants

Diamonds Direct USA, Inc.

Diamonds Direct USA of Richmond, LLC

/s/

Christopher C. Spencer (VSB No. 21878)

Direct: 804.285.5220

cspencer@ohaganspencer.com

Sandra M. Holleran (VSB No. 28808)

Direct: 804.285.5222

sholleran@ohaganspencer.com

O'Hagan Spencer LLP

6806 Paragon Place, Suite 200

Richmond, VA 23230

Telephone: 804.285.5200

Facsimile: 804.285.5210

Counsel for Defendant and Counterclaim Plaintiff

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